

## Tobacco-Free Living

• Protecting the Health and Financial Equity of all Utahns through Proactive Public Policy •

## TOBACCO TAX REVENUE AND QUITS PROJECTIONS AT VARIOUS LEVELS OF TAX INCREASE

| Cigarette<br>tax<br>increase<br>per pack | New<br>cigarette<br>tax rate<br>per pack | Additional<br>new state<br>revenue<br>(Millions) | Percentage increase in total price per pack of cigarettes | Percentage<br>decrease in<br>youth<br>smoking <sup>1</sup> | Youth<br>smoker<br>declines<br>from<br>increase | Percentage<br>decrease in<br>adult<br>smoking <sup>2</sup> | Adult<br>smoker<br>declines<br>from<br>increase | Total<br>smoker<br>declines<br>from<br>increase | Equivalent<br>percentage<br>increase in<br>OTP tax <sup>3</sup> | New OTP<br>tax<br>revenue<br>(Millions) | Total new<br>tax<br>revenue<br>(Millions) |
|--|--|--|---|--|---|--|---|---|---|---|---|
| \$0.605                                  | \$1.300                                  | \$22.19  | 13.72%  | 7.37%  | 1,274   | 2.74%  | 5,463   | 6,736   | 50.41%  | \$2.09                                  | \$19.80                                   |
| \$0.855                                  | \$1.550                                  | \$32.63  | 19.27%  | 12.53%   | 1,789   | 3.85%  | 7,675   | 9,464   | 94.46%  | \$3.91                                  | \$36.54                                   |
| \$0.955                                  | \$1.650                                  | \$36.89  | 21.54%  | 14.00%   | 2,000   | 4.31%  | 8,578   | 10,578  | 107.05<br>%   | \$4.43                                  | \$41.32                                   |
| \$1.005                                  | \$1.700                                  | \$39.02  | 22.68%  | 14.74%   | 2,105   | 4.54%  | 9,029   | 11,134  | 113.34  | \$4.69                                  | \$43.71                                   |
| \$1.305                                  | \$2.000                                  | \$52.01  | 29.59%  | 19.23%   | 2,747   | 5.92%  | 11,783  | 14,530  | 151.76<br>%   | \$6.28                                  | \$58.30                                   |

- 1. Projections are based on research findings that each 10% cigarette price increase reduces youth smoking rates by 6.5%. Note 7.9% or 13,200 of Utah youth grades 9-12 currently smoke.
- 2. Projections are based on research findings that each 10% cigarette price increase reduces adult smoking rates by 2.0%. Note 11.7% or 205,700 of Utah adults 18 years old or older currently smoke.
- 3. Equivalent increase in tax on other tobacco products (OTPs) is necessary to curtail smokers from substituting OTPs for cigarettes as a result of price increase for cigarettes.

## THE UTAH ALLIANCE FOR TOBACCO-FREE LIVING

American Cancer Society • American Cancer Society Cancer Action Network • AARP-Utah • American Heart Association • American Lung Association • Association for Utah Community Health Campaign for Tobacco-Free Kids • Coalition for Tobacco-Free Utah • Huntsman Cancer Institute • Rocky Mountain Candlelighters for Childhood Cancer • United Way of Salt Lake

Utah Association of Local Health Departments • Utah Cancer Action Network • Utah Health Policy Project • Utah Medical Association • Utah PTA